Bureau of Competition Policy

Statement

NOTES FOR AN ADDRESS BY

GEORGE N. ADDY

DIRECTOR OF INVESTIGATION AND RESEARCH

BUREAU OF COMPETITION POLICY

To the ABA Section of Antitrust Law

Annual Meeting

Chicago, U.S.A.

August 6, 1995

International Antitrust

The Canada - U.S. Context

Check Against Delivery

Government of Canada Gouvernement du Canada

Canada

Introduction

I am pleased to have the opportunity to address this joint session of the ABA Antitrust Section and the CBA Competition Law and Policy Section. My topic today is Canada/U.S. relations in antitrust enforcement and the new Competition Policy Agreement between our two countries.

I cannot over-emphasize even to this audience the importance of international considerations for competition policy in today's economic environment. Trade liberalization and globalization of markets have considerably increased the need for competition authorities to address cross-border issues. This has highlighted the further need for closer international cooperation. Transnational mergers requiring competition law review in several jurisdictions are now relatively commonplace. There has also been an increase in parallel investigations of anticompetitive conduct by more than one national competition authority. The Fax Paper cases in Canada and the U.S. and the Microsoft cases in the U.S. and the EU are two prominent recent examples.

With the successful implementation of the NAFTA in 1994, and the WTO in 1995, the time has come to bring international instruments for enforcement cooperation in line with the realities of cross-border trade. This is especially true in the Canada/U.S. context given the extent of our bilateral trade. For us, the ultimate goal of closer enforcement cooperation is to promote competitive markets in Canada and to protect Canadian consumers and businesses from anticompetitive and deceptive marketing practices.

While international cooperation between competition authorities is not new, trade liberalization and globalization have increased the need for cooperation, particularly between Canada and the U.S. I stress, however, that the need for greater cooperation does not mean that antitrust agencies are proceeding without regard for statutory requirements and safeguards. Moreover, the mere fact that a particular matter has international elements does not necessarily mean that it will lead to extensive cooperation or parallel enforcement of the kind we undertook in Fax Paper. In the vast majority of cases, including those with cross-border elements, Canadian and U.S. competition authorities continue to pursue their own independent investigations without the need for extensive coordination.

Nevertheless, even in the absence of elaborate coordination arrangements, there are ample opportunities for increased cooperation between competition authorities by way of informal contacts to discuss common issues at a more general level -- and we do take advantage of those opportunities.

In some cases, however, there is an opportunity for more extensive cooperation and coordination, and that is when we must adhere to formal instruments such as the Canada/U.S. Treaty on Mutual Legal Assistance in Criminal Matters[1] ("MLAT"). The MLAT, which came into force in 1990, and the 1991 amendments to the Canada/U.S. Extradition Treaty[2] have considerably expanded the potential scope for enforcement cooperation.

While the MLAT and Extradition Treaty have increased the potential scope of enforcement cooperation, they only apply to criminal competition law matters. We do not have the ability to cooperate in a similar manner in civil matters, although the U.S. has recently taken an important step in this direction with the adoption of the *International Antitrust Enforcement Assistance Act* ("IAEAA").[3] Increased cooperation across a greater range of competition law matters is necessary. In Canada we have initiated a consultation process to examine possible legislative amendments to provide, in unequivocal words, the authority and safeguards that should govern inter-agency cooperation and information sharing. I will return to the amendments consultations and the issue of bilateral enforcement cooperation in a moment.

Although there is clearly further work to be done with respect to specific mechanisms to enhance enforcement cooperation, the rationale for enforcement cooperation is clear. It is in both of our countries' interests to promote the effective enforcement of our competition laws and to assist each other in pursuing this objective. The case for cooperation is even more compelling in relation to conduct or transactions that may have anticompetitive consequences in markets

---

[1] Treaty Between the Government of Canada and the Government of the United States of America on Mutual Legal Assistance in Criminal Matters, dated March 18, 1985, in force January 14, 1990, 1990 Can. T.S. No. 19.

[2] Extradition Treaty between Canada and the United States of America, 1976, Can. T.S. No. 3, as amended by a Protocol dated January 11, 1988, in force November 22, 1991, 1991 Can. T.S. No. 37.

[3] Pub. L. No. 103-438, 108 Stat. 4597 (1994).

affecting both countries. The rapid internationalization of business activity promises that there will be more cases requiring joint or parallel enforcement. Simply put, as markets become international, so does anticompetitive conduct. Indeed, anti-competitive conduct can itself become an export product. If we stop it in Canada, the parties can always set up shop in the U.S. until they get caught again.

Given the increasing integration of our markets, it is increasingly important that each country keep the other apprised of competition law enforcement activities that may have implications for the other's interests. Although there has been a marked decrease in the frequency of bilateral disputes involving competition law matters in recent years, there remain differences between our two countries in areas such as jurisdiction and comity and we need to be vigilant to ensure that these differences do not undermine our common stake in effective enforcement of our respective laws. In furtherance of this objective, on August 3rd, our governments concluded the new Agreement Between the Government of Canada and the Government of the United States of America Regarding the Application of Their Competition and Deceptive Marketing Practices Laws.

The New Agreement

As some of you are aware, Canada and the United States have had several bilateral Understandings in relation to competition law dating back to 1959.[4] The most recent of these is the 1984 Memorandum of Understanding, which set out a relatively elaborate regime for notification and consultation in cases where a Party's enforcement activities might affect the national interests of the other Party. Our experience under the 1984 MOU, as well as recent developments such as Chapter 15 of NAFTA and the MLAT, led us to the conclusion that a new framework arrangement was required to bring our formal bilateral relations in line with current practice and priorities. The new Agreement also provides a framework within which other bilateral arrangements, such as those contemplated by the IAEAA, can be pursued following necessary amendments to Canadian law.

---

[4] Fulton-Rogers Understanding of 1959; Basford-Mitchell Understanding of 1969; Memorandum of Understanding Between the Government of Canada and the Government of the United States of America as to Notification, Consultation and Cooperation with respect to the Application of National Antitrust Laws, March 9, 1984.

Like the 1984 MOU, the 1995 Agreement contemplates a procedure for notification and consultation in cases that implicate the other Party's interests and builds on the procedure envisaged by the MOU. The 1995 Agreement, however, improves the MOU in several respects. In particular, it contains a substantial elaboration of the Parties' commitment to cooperate in the enforcement of their competition laws. In addition, since the Federal Trade Commission and the Bureau of Competition Policy are both responsible for the administration of laws relating to deceptive marketing practices, the 1995 Agreement contains new commitments in this area. During the next few minutes, I will summarize and comment on the main features of the Agreement.

General Matters

The 1984 MOU was essentially an informal political arrangement between our governments. It expressly stated that it was not an international agreement. By contrast, the 1995 Agreement is a binding international agreement under international law. This change of status serves to underscore the Parties' commitments to the avoidance of disputes and closer cooperation in the application of their competition laws. At the same time, Article XI clearly states that neither Party is required to act in a manner that is inconsistent with its existing laws, or to change its laws as a result of the Agreement. The purpose of this "existing laws" over-ride is to ensure that the commitments contained in the Agreement are interpreted in a manner consistent with the Parties' respective laws. Similarly, paragraph X(1) expressly provides that neither Party is required to communicate information to the other where its communication is prohibited by its laws or is otherwise incompatible with its important interests. This further ensures that the Agreement will not indirectly bring about a change in the Parties' confidentiality laws. All of the commitments in the Agreement are to be read in the light of these two important qualifications.

The purpose of the Agreement is set out in Article I. In brief, it is intended to

- promote cooperation and coordination between the Parties' competition authorities,
- avoid conflicts and minimize the impact of differences on their important interests, and

- establish a framework for cooperation and coordination in the area of deceptive marketing practices.

Notification

The notification procedures are set out in Article II. The general criterion for notification is similar to the 1984 MOU, namely, that each Party will notify the other with respect to its enforcement activities that may affect the important interests of the other Party. Paragraph II(2) sets out a non-exhaustive list of circumstances that ordinarily require notification. This list is considerably broader than the comparable list in the 1984 MOU[5] and includes notification of a Party's enforcement activities:

- where they are relevant to the other Party's enforcement activities;
- where they involve anticompetitive activities, other than mergers or acquisitions, carried out in whole or in part in the territory of the other Party;
- where they involve mergers or acquisitions in which one or more of the parties to the transaction is incorporated or organized under the laws of the other Party;
- where they involve conduct believed to have been required, encouraged or approved by the other Party;
- where they involve remedies that expressly require or prohibit conduct in the territory of the other Party or are otherwise directed at such conduct, and
- where they involve the seeking of information located in the territory of the other Party.

The Agreement also contemplates notification of public interventions by the competition authorities in judicial or regulatory proceedings where the issues addressed may affect the other Party's interests.

---

[5] Paragraph 2(2).

As a general rule, notification would be made as soon as a Party's competition authorities become aware that notifiable circumstances are present. However, the timing of notifications in certain circumstances is specified in greater detail elsewhere in Article II.[6]

I would like to comment briefly on notifications involving mergers and acquisitions. First, the Agreement requires notification of merger investigations only where significant competition concerns have been raised by the notifying authority. The triggering events are the issuance of a second request in the U.S., and a request for information under oath or an order under section 11 of the *Competition Act*[7] in Canada. Thus, the vast majority of merger reviews involving companies organized under the laws of the other country would generally not have to be notified. Second, the notification would not indicate whether the parties to the transaction had filed a mandatory merger pre-notification, since that information is confidential under both countries' laws. Rather, the notification would state that the investigating authority is reviewing a particular proposed merger.

With respect to non-merger investigations, the Agreement contemplates that notification will be given as soon as the competition authorities become aware that notifiable circumstances are present, with a further notification at least seven days in advance of the initiation of proceedings or the settlement of the matter. This will ensure that, in most cases, the other Party will have an adequate opportunity to make representations before enforcement action is taken. However, in recognition of the fact that enforcement authorities must act quickly in urgent situations, the Agreement also provides that where seven days' notice cannot be given, notification would be given as promptly as possible.

Notification with respect to the seeking of information located in the territory of the other Party would be given at least seven days in advance where compliance is mandatory, and at the time that the request is made where compliance is voluntary. Requests for oral testimony from, or personal interviews with, persons located in the territory of the other Party would be notified at the time of the request. Finally, in keeping with the current practice under the 1984 MOU, the Agreement would not require notification of telephone contacts with

---

[6] Paragraphs II(4) to (7).

[7] R.S.C. 1985, c. C-34, as amended.

persons in the territory of the other Party where they are not targets of the investigation, only a voluntary oral response is sought and the other Party's interests are not otherwise implicated.

Consultation and Dispute Avoidance

The Agreement also provides for inter-governmental consultations at the request of either Party. It improves on the 1984 MOU by requiring both Parties to be prepared to explain their positions in light of the principles set out in the Agreement.

An important new feature of the Agreement in this regard is Article VI on avoidance of conflicts. This provision sets out a number of principles that are intended to guide the Parties in the exercise of their enforcement discretion. While several of these principles are drawn from the 1984 MOU, the Agreement builds on the MOU by including a non-exhaustive list of "comity" factors.[8] These are adapted from several sources, including our experience under the MOU, Canadian

---

[8] (i) the relative significance to the anticompetitive activities involved of conduct occurring within one Party's territory as compared to conduct occurring within that of the other;

(ii) the relative significance and foreseeability of the effects of the anticompetitive activities on one Party's important interests as compared to the effects on the other Party's important interests;

(iii) the presence or absence of a purpose on the part of those engaged in the anti-competitive activities to affect consumers, suppliers or competitors within the enforcing Party's territory;

(iv) the degree of conflict or consistency between the first Party's enforcement activities (including remedies) and the other Party's laws or other important interests;

(v) whether private persons, either natural or legal, will be placed under conflicting requirements by both Parties;

(vi) the existence or absence of reasonable expectations that would be furthered or defeated by the enforcement activities;

(vii) the location of relevant assets;

(viii) the degree to which a remedy, in order to be effective, must be carried out within the other Party's territory; and

(ix) the extent to which enforcement activities of the other Party with respect to the same persons, including judgments or undertakings resulting from such activities, would be affected.

and U.S. jurisprudence and the 1991 U.S./EU Agreement.[9] This is, in my view, a very significant development in bilateral relations in the area of competition law since it marks, for the first time, a common Canadian and U.S. approach to the factors that are relevant in a comity analysis. While I do not expect that the Agreement will resolve all potential jurisdictional disputes, I do expect that it will facilitate their resolution by focusing the Parties' attention on the agreed factors.

Enforcement Cooperation and Coordination

The 1995 Agreement also builds on the 1984 MOU in the area of enforcement cooperation and coordination. These issues are addressed in Articles III to V with respect to competition law, and Article VII in relation to deceptive marketing practices.

Article III notes the Parties' common interest in cooperation and information exchange to facilitate the detection of anticompetitive activities and the effective application of their competition laws. It also notes their commitment to consider further measures to enhance enforcement cooperation. I will return to this issue in commenting on the recently announced consultations regarding possible amendments to the *Competition Act.*

Article III sets out the different forms of cooperation that the Parties' competition authorities may engage in, subject to applicable laws, enforcement policies and their own national interests. The Agreement commits the competition authorities to:

- **assist each other in locating and securing evidence and witnesses, and in securing voluntary compliance with requests for information;**
- **inform each other with respect to their own enforcement activities where the conduct in question may also have anticompetitive effects in the territory of the other Party;**
- **provide relevant information to the other Party's competition authorities upon request; and**

---

[9] Agreement Between the Commission of the European Communities and the Government of the United States of America Regarding the Application of their Competition Laws, dated September 23, 1991.

- at their own initiative, provide the other Party's competition authorities with significant information concerning anticompetitive activities that may warrant their attention.

As you can see, the enforcement cooperation and assistance contemplated by the Agreement is significant. That being said, however, these commitments are subject to each Party's laws, particularly those relating to confidentiality. At the present time, insofar as Canada is concerned, confidential information would only be communicated in the manner set out in my recent public statement on confidentiality.[10] More precisely, confidential information would only be communicated to the U.S. competition authorities for the purpose of advancing an investigation under the *Competition Act*. Of course, this restriction would not apply to public information, or where the person who provided the information -- a complainant for example -- were to consent to its communication.

The issue of enforcement coordination with regard to related matters is addressed in Article IV. This provision is aimed at circumstances, such as the Fax Paper case, where the Canadian and U.S. competition authorities are investigating the same or related conduct. Article IV sets out several factors with respect to a decision to coordinate enforcement. Where an affirmative decision to coordinate is made, each Party's competition authorities would aim to conduct their investigations in a manner that is consistent with the other Party's enforcement objectives.

Article IV also contemplates that the Parties' competition authorities may request each other to ascertain whether persons who have provided confidential information will consent to the information-sharing. This provision is intended to facilitate cooperation. It does not, however, over-ride my discretion to communicate information without consent for the purpose of enforcement or administration of the *Competition Act*.

Article V incorporates the notion of "positive comity" whereby a Party may request that the other Party's competition authorities initiate enforcement action with respect to conduct in the territory of the requested Party. Positive comity presumes that the conduct in question constitutes a violation of both Parties' laws. Since, by definition, the conduct in question occurs principally in the territory of

---

[10] Communication of Confidential Information Under the Competition Act, Industry Canada, May, 1995.

the requested Party, the latter is arguably in a better position to investigate and impose adequate relief. Positive comity therefore has the benefit of promoting more effective enforcement while minimizing the likelihood of jurisdictional disputes.

Deceptive Marketing Practices

As you are aware, the U.S. Federal Trade Commission and the Canadian Director of Investigation and Research are both responsible for the administration of laws relating to deceptive marketing practices. In the case of Canada, those laws are an integral part of the *Competition Act*.[11] The FTC has jurisdiction over deceptive marketing practices pursuant to section 5 of the *Federal Trade Commission Act*.[12]

Developments such as cross-border telemarketing, and the continuing integration of our markets more generally, have led to an increase in deceptive marketing investigations with cross-border dimensions. In view of our common interest in countering deceptive marketing practices, and our experience with informal cooperation in the past, Article VII of the Agreement endorses further cooperation between my office and the FTC. Subject to each Party's laws, enforcement policies and other important interests, this cooperation would extend to assistance in the detection of deceptive marketing practices, informing each other of investigations involving practices occurring in, or that affect consumers or markets in, the territory of the other Party, information-sharing and enforcement coordination.[13] The Article also requires us to jointly study further measures to enhance enforcement cooperation in this area.[14]

Confidentiality

Article X of the Agreement acknowledges the importance of confidentiality in several respects. First, as I noted earlier, it expressly provides that neither Party

---

[11] Sections 52 - 60.

[12] 15 U.S.C. 41-58.

[13] Paragraph VII(3).

[14] Paragraph VII(4).

is required to communicate information to the other where prohibited by its laws.[15] The Agreement is not intended to change the Parties' laws in this regard. Second, the Parties have agreed to maintain the confidentiality of information communicated in confidence to the fullest extent possible.[16] Moreover, either Party may make the communication of specific information conditional upon specific assurances with respect to confidentiality and use.[17] The Parties also agree to oppose, to the fullest extent possible consistent with their laws, any application for disclosure of confidential information by a third party. Thus, the Parties would generally invoke any applicable legal arguments or privileges to prevent disclosure of confidential information. Where appropriate, we would consider seeking protective orders with respect to information that may be introduced in evidence in judicial or administrative proceedings. At the same time, we recognize that the competition authorities are subject to legal -- and constitutional -- obligations to disclose certain information to defendants in legal proceedings. These obligations would be a factor to consider in the course of a decision to communicate information.

Notifications and consultations between the Parties are deemed to be confidential, and information communicated in those contexts would not be communicated outside a Party's federal government without the consent of the other Party.[18]

Finally, investigatory information communicated between the competition authorities in the course of enforcement cooperation must be kept confidential to the competition authorities themselves and may not be communicated to other agencies of the receiving authorities' government or used for purposes other than enforcement of competition or deceptive marketing practices laws, as the case may be, without consent.

---

[15] Paragraph X(1).

[16] Paragraph X(2).

[17] Paragraph X(3). See also 1984 MOU, paragraph 10(1).

[18] Paragraph X(4).

Enforcement Cooperation -- Present and Future

The 1995 Agreement is an important development in bilateral relations between our countries. It establishes a framework for cooperation in the enforcement of our competition and deceptive marketing practices laws that is flexible and forward looking. The Agreement contemplates further enhancements in our capacity to cooperate while leaving it to each country to determine the nature and scope of such cooperation in accordance with its interests. It respects each Party's laws and practices and, in my view, sets out workable principles to assist in the resolution of potential conflicts.

As I mentioned at the outset, cooperation between our two countries' competition authorities is not a new phenomenon. We have worked together over the years through regular bilateral meetings and at the OECD Competition Law and Policy Committee to promote a better understanding of our respective laws and enforcement policies. We frequently discuss emerging trends in particular sectors, or enforcement policy with respect to certain types of conduct. We also consult regularly on general policy matters such as cost recovery and compliance policy. These contacts have led to a gradual convergence in our analytical approaches despite the differences in our laws. In a case-specific context, such as mergers which are being reviewed on both sides of the border, our staff will often discuss general issues such as market definition, barriers to entry and theories of the case. Similar discussions take place when the other country's competition authorities have had experience with a particular type of conduct or industry that may be relevant to our investigations. These exchanges do not require the communication of confidential information and allow us to learn from one another.

The scope for enforcement cooperation has, however, increased as a result of the availability of the MLAT and the Extradition Treaty. As you know, the MLAT allows us to use compulsory powers to assist each other in criminal antitrust matters and we have invoked these provisions on several occasions. By way of illustration, there have been 11 MLAT requests in competition law matters to date (5 by Canada and 6 by the U.S.) and one Canadian request under the Extradition

Treaty in a matter involving the marketing practices provisions of the *Competition Act*.[19]

I should add that there has been increasing cooperation in the area of deceptive marketing practices. For example, growing concerns on both sides of the border with respect to deceptive telemarketing have led to closer contacts between Canadian and U.S. law enforcement agencies, including the Bureau of Competition Policy and the FTC. An important outcome of this trend is the growing cooperation between the Canadian agencies involved in Project Phonebuster, a cooperative effort involving federal and provincial law enforcement agencies, and U.S. agencies including the FTC. Last September, the Bureau of Competition Policy hosted a multi-agency seminar on telemarketing with the participation of the FTC and Canadian police forces. Similarly, Bureau officials attended the FTC's Workshop Conference on the proposed Telemarketing Rule last May. I fully expect that cooperation in this area will increase in coming years.

Since the trend toward more international cooperation is here to stay, I would like to take this opportunity to set the record straight on the issue of confidential information exchange. We do not exchange confidential information as a routine matter. In fact, there have been very few joint or parallel investigations using the MLAT to date, including the Fax Paper case, which have involved the exchange of confidential information. There have also been preliminary discussions between our two countries' agencies in several other cases, however, these have not yet led to the extensive cooperation and information-sharing that characterized the Fax Paper investigation. In those cases where confidential information was communicated pursuant to the MLAT, it has taken place following a thorough consideration of the issues involved and in a manner consistent with the applicable laws. In this regard, the new Agreement will not change the manner in which we communicate information between competition authorities. As far as Canada is concerned, we will continue to do so in accordance with the statement on

---

[19] In May 1993, a U.S. company, Thomas Liquidation Inc., and an individual resident in the U.S. were charged under section 52 of the *Competition Act* with respect to misleading representations in connection with a liquidation sale of the inventory of Pascal's Furniture in Toronto. The company and individual failed to appear in court to answer the charges. In consequence, the Attorney General of Canada formally requested the extradition of the individual concerned and a warrant for his arrest was issued in the U.S. The individual agreed to waive extradition hearings and came to Canada voluntarily, where the matter was resolved by way of a guilty plea by the company and payment of a fine of $130,000.

confidentiality that I issued earlier this year. What has changed, however, is the strength of our commitment to make further progress toward closer cooperation.

While we will continue to use the existing tools for cooperation, it is clear to me that further measures are necessary in order to facilitate more effective enforcement cooperation. In this regard, on June 28, 1995, the Minister of Industry, the Honourable John Manley, announced a consultation initiative aimed at fine-tuning the *Competition Act* within the next year. The Minister has asked me to consult with a broad range of stakeholders in order to develop amendments proposals to improve and streamline the administration of the Act. Among the key areas to be addressed are international cooperation in competition law enforcement and the protection of confidential information. The eventual legislative amendments would provide clear and unequivocal authority for specified types of inter-agency cooperation and information-sharing as well as appropriate safeguards.

As a result of the Minister's initiative, I have released a Discussion Paper that addresses several areas where amendments would be desirable. These include:

- mutual assistance with foreign competition law agencies and the protection of confidential information;
- notifiable merger transactions;
- misleading advertising and deceptive marketing practices;
- "regular price" claims and s. 52(1)(d);
- price discrimination and promotional allowances;
- access to the Competition Tribunal;
- prohibition orders; and
- deceptive telemarketing solicitations.

With respect to international cooperation, the Discussion Paper proposes amendments that would authorize the Director to assist foreign competition authorities on a reciprocal basis. The new regime would authorize the

communication of confidential information and the use of compulsory powers in both civil and criminal competition matters pursuant to mutual assistance agreements negotiated with foreign governments. It would also address information providers' concerns about the extent to which commercially sensitive information may be communicated to foreign authorities by including appropriate safeguards.

I am confident that the consultation process will lead to amendments that will greatly enhance our ability to enforce Canada's competition laws with respect to trans-border conduct. By facilitating international enforcement cooperation, the amendments proposed in the Discussion Paper will also allow us to fulfill the objectives of the new bilateral Agreement more effectively.

Moreover, in view of the fact that the U.S. competition authorities now have the ability to conclude Antitrust Mutual Assistance Agreements pursuant to the *International Antitrust Enforcement Assistance Act*, I would expect that the negotiation of such an agreement would be a priority for both governments once the Canadian amendments process has been concluded. In my view, it is these kinds of arrangements, providing for tangible, case-specific cooperation within a framework of obligations and safeguards, that will characterize international competition law developments in the foreseeable future.

As business activity globalizes, there is increasing interest in greater convergence between national and regional competition policy regimes. Ongoing work within the OECD, the NAFTA 1504 Working Group and elsewhere will no doubt lead to an intensified examination of multilateral competition policy norms in the context of trade and investment liberalization. However, it is becoming increasingly clear that greater competition policy convergence on its own will be insufficient to ensure competitive international markets. Despite the significant advances made in the NAFTA and the WTO, restrictive government measures continue to limit effective competition in many sectors and may in fact facilitate private anticompetitive conduct. Competition authorities are therefore being increasingly drawn into participating in international trade and investment initiatives. There is much work to be done in this area in the longer term. As this work proceeds, however, cooperation arrangements within trade areas and between trading partners will likely continue for some time to be the most relevant to international competition policy.

Conclusion

There is increasing recognition in both the public and private sectors that the current international economic environment calls for closer relations among competition authorities. Thus far, Canada and the United States have been at the forefront in promoting closer cooperation and our experience to date has demonstrated the mutual benefits of such cooperation. The Agreement concluded by our two governments last week is an important step in this direction. It represents a firm commitment to closer relations in the enforcement of our competition and deceptive marketing laws and to mutual respect for national sovereignty. The new notification provisions will ensure that each country is adequately informed with respect to the other country's enforcement efforts so that our respective interests can properly be taken into account. Ultimately, the Agreement will increase my ability to protect Canadian consumers and businesses from anticompetitive and deceptive marketing practices wherever they originate. This new Agreement is one of the key tools needed for proper antitrust enforcement. I am confident that it will be followed by further advances during the coming year.